

## **EFFORT TO INCREASE PERFORMANCE OF SUB DIRECTORATE OF STATE REVENUE OF MINERAL AND COAL IN OPTIMIZING NON TAX STATE REVENUE GENERAL MINING**

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*Abstract—Non Tax State Revenue of Natural Resources of General Mining which managed by Sub Directorate of State Revenues of Mineral and Coal consist of Dues Remain and Royalty paid by Mining License Holder, consist of Contract of Work, Coal Mining Agreement and Mining Authority or Mining License. In managing Non Tax State Revenues divided two section with planning task, evaluation, verification and stipulation of result of Non Tax State Revenues task, with administration task as supporting. The bigger workload are evaluate and verify the Dues Remain and Royalty document. In line with demand increase of mining commodities the number of Business Permit of Mining especially Mining Authority (KP) and Mining License (IUP) had increased significantly, so workload of evaluating and verifying Dues Remain and Royalty also had increased. To know the needs of the number of employees first calculate the number of workload, or the number of Dues Remain and Royalty documents that will be sent by all Mining Authorities with quantitative method of regression analysis is supported by a survey to know employee productivity. Regression analysis showed that if the number of KP / IUP reaches 6951, the number of Dues Remain documents will reach 10535 and the sales transaction document (Royalties) 19539 units. Based on employee productivity in order to that the large number of documents of Dues Remain and Royalty of the Mining Authority or Mining License can be handled properly it is necessary addition 7 employees, for verification to the field required 14 employees and for the reconciliation in the framework production planning and the stipulation of Non Tax State Revenues required seven employees. Effectiveness of organization of Sub Directorate of State Revenues of Mineral and Coal, learned of whether the appear workload could be handled as well as whether every structure have done tasks in a focused and not mixed with other tasks. Based on that thing, in order to there is a separation of task well it is necessary addition become 4 organizational structure as level as section, that are the structure determination of the planning and realization of Non Tax State Revenues, the two structures recording, evaluation and verification of Non Tax State Revenues, as well as a structure administration.*

*Keywords: job analysis, workload analysis, organizational structure, human resource planning, recruitment*

### **I. INTRODUCTION**

Non Tax State Revenue is state income from outside of tax that have important meaning in supporting financing of national and regional development. One of the Non Tax State Revenue from mining sector consists of payment of Dues Remain and Royalty. Dues Remain is obligation of mining company to pay to Government every year, the amount is area wide area multiplied to certain tariff. Royalty is paid based on the number of sold mineral or coal multiplied to tariff of mineral or coal.

National and regional development planning have to be harmonized with amount of financing, one of which from Non Tax State Revenue in order to goal and objective of development can be reached. therefore plan and management state revenue and its distribution to Government, Province Government, Regency Government and City Government have to accurate and on time. Regarding importance state revenue for implementation national and regional development program needed mechanism of management Non Tax State Revenue are orderly, fluent and on time in order to can be used financing regional and national programs efficiently to increase prosperous of state and community.

To ensure fluency management of that state revenue needed organization with share of the duties and the right functions and done by competent human resource and supporter infrastructure in enough quantity. Management of Non Tax State Revenue Natural Resource of General Mining implemented by Directorate of Mineral and Coal development Program/Sub Directorate of State Revenue of Mineral and Coal. Before implementing Regional Autonomy in mining sector in 1999, the number of permits issued to do mining activity either Contract of Work, Coal Mining Agreement and Mining Authority or Mining

License existing in Indonesia has not been too much. However, on the subsequent development, especially after implementation Regional Autonomy, the number of permit, especially Mining Authority or Mining License issued by Province Government/Regency Government/City Government multiply rapidly with the fast increasing world market demand some mining commodities such as Coal, Nickel, Gold, Copper, Silver, Iron, Zircon, Tin. Meanwhile, the number of Contract of Work, Coal Mining Agreement are not changed, so the process of management Non Tax State Revenue still can be handled. The rapid increase of that number of Mining Authority or Mining License cause Non Tax State Revenue from the general mining sector and resulted workload increase significantly.

## **II. Business Issue Exploration**

### **A. Conceptual Framework**

This research is done to know whether management of Non Tax State Revenue Natural Resource General Mining consist of Dues Remain and Royalty have been done very well by Sub Directorate of State Revenue of Mineral and Coal. It is necessary to know amount of workload and productivity employee of Sub Directorate of State Revenue of Mineral and Coal. Amount of workload is depend on existing mining permit. To know workload so from the number all of exist Mining Authority or Mining License necessary do the calculation Linear Regression to know the number of production Mining Authority or Mining License and Mining Authority or Mining License sales transactions. Same calculation also done to know the number document Dues Remain from Mining Authority or Mining License. Method of research that used in this research is method of descriptive with survey method with questionnaire as instrument.

### **B. Method of data Collection and Analysis**

Duty generally Sub Directorate of State Revenue of Mineral and Coal encompass planning, recording, evaluation and verification of Non Tax State Revenue payment and administration. On this research data collection is obtained through primary data and secondary data. Primary data in this research is obtained and collected directly from research location through interview on background of happen the increase of workload and questionnaire on appraisal of competence suitability and workload productivity that given to employees of Sub Directorate of State Revenue of Mineral and Coal. But productivity every employee to do note, evaluation and verification of Non Tax State Revenue document done by Time & Motion Study. Secondary data in this research is obtained from documentation Ministry of Energy and Mineral Resource on the number of Mining Authority or Mining License, Contract of Work and Coal Mining Agreement that not publicized.

### **C. Analysis of Business Situation**

Before implementation of regional autonomy in general mining 1999, the number of Contract of Work, Coal Mining Agreement and Mining Authority or Mining License exist in Indonesia have not been too much. However, after implementation of regional autonomy, the number of Mining Authority or Mining License that issued by Province Government/Regency Government/City Government increase become 9577. Meanwhile, either the number of Coal Mining Agreement or Contract of Work are not changed, so management process of Non Tax State Revenue still can be handled very well.

Rapid accretion the number of that Mining Authority or Mining License cause Non Tax State Revenue from General Mining sector and the resulting workload increase significantly. The biggest workload in managing Non Tax State Revenue of Natural Resource of General Mining are activity of evaluation and verification the truth of the number of Non Tax State Revenue that reported by company. The number of that workload is depend on how many documents of Dues Remain payment and document of sales transactions that reported by company. Although obligation of mining company only one time in paying Dues Remain however because one mining company can have mining location in some regency, so the number of report have to suitable to the number of regency where that company is.

Moreover if in same year one company increase activity stage from exploration become exploitation, although company have paid Dues Remain on exploration stage the company have to repay Dues Remain on exploitation stage because tariff of fees is different. Meanwhile the number of Royalty report payment document is depend on how many time company do sales transactions. Moreover based on Law No. 4 of 2009 there are 3 duty additional, that are verify Non Tax State Revenue from information data compensation result auction of Mining Permit Area, monitoring Non Tax State Revenue from rock Business Permit of Mining managed by Province Government/Regency Government/City Government and billing of account receivable that will be done by Sub Directorate of State Revenue of Mineral and Coal cause increase of larger workload in Sub Directorate of State Revenue of Mineral and Coal. Implementation of billing of account receivable is started in 2010, however implementation of verification of Non tax State Revenue from information data compensation has not been done because auction to obtain Mining Permit Area has not been done. Likewise with monitoring Non Tax State Revenue from rock Business Permit of Mining has not been done because there is no related report submitted by Province Government/Regency Government/City Government to Sub Directorate of State Revenue of Mineral and Coal. How big workload will be done due to increase issuance of Mining Authority or Mining License and there are additional duty has not been studied specifically, to stipulate amount of structure

with right duty scope, prepare right number of employee and supporter infrastructure and satisfy work system in order to management of Non Tax State Revenue and distribution development funds especially to Province Government/Regency Government/City Government can run smoothly.

Bad coordination between Government with Province Government/Regency Government/City Government along this time and weak human resource and supporter infrastructure in region cause only partially of issued Mining Authority or Mining License have been listed in Directorate of Mineral and Coal development Program/Sub Directorate of State Revenue of Mineral and Coal until now. That condition exacerbated with fact that not all production data and sales transactions data done by owner of Mining Authority and Mining License has been submitted by Province Government/Regency Government/City Government to Directorate of Mineral and Coal development Program and data has been submitted is not equipped needed supporter document. Facts above cause necessary to make some assumptions to do analysis related to balance between the number of employee Sub Directorate of State Revenue of Mineral and Coal as agency who have duty and responsible against management of Non Tax State Revenue with the number of workload.

Based on observation now, target of work and workload related to administration has been implemented very well. However activity of planning, recording, evaluation and verification Non Tax State Revenue are not optimal because it's not based on the actual workload. Planning of Non Tax State Revenue is not based on plan of work from all of exist mining company because only Coal Mining Agreement and Contract of Work have submitted plan of work every year, whereas Mining Authority or Mining License only small partially has submitted plan of work.

Likewise workload emerged from recording, evaluation and verification job, payment report Dues Remain and sales transactions or Royalty implemented in office. Verification to mining location is implemented as quote test regarding there are many the number of mining company and widespread throughout Indonesia region. However workload emerged has been felt excessive, the result implementation duty and function are not optimal, so the number of fund allocated and distributed to Province Government/Regency Government/City Government still not based on actual the number of Non Tax State Revenue. If coordination inter-agency become better through integrated information system tool (on-line) can be estimated that there will be increasing bigger workload to implementation planning, note, evaluation and verification job of Non Tax State Revenue, especially reported by Mining authority or Mining License. Estimated there will be 11.100 documents of Dues Remain payment and 27.600 documents of payment of Royalties reported by 6951 companies spread in more than 300 agencies

in Indonesia. As result exist organization structure will not be able to do duty and function. Organization structure Sub Directorate of State Revenue of Mineral and Coal consist of two sections, that are Non Tax State Revenue Mineral Section and Non Tax State Revenue Coal Section. Moreover known in 2010 the number of Mining Authority and Mining License that Dues Remain has been noted and evaluated are 4204 Dues Remain/year or 350 Dues Remain/month; whereas Royalties 8007 or 667 Royalty transactions/month. So, 3 employees can finish 1260 document of Dues remain/month and 400 document of payment transactions/month are finished by 2 employees. It means there are shortage of employee to note and evaluation of sales transactions.

The following are tables of predictions the number of Mining Authority or Mining License, production Mining Authority, document of sales transactions and document of Dues Remain.

Table 1 Documentation of Ministry of Energy and Mineral Resources

No.	Total of		Number of
	KP/IUP	Production KP/IUP	Sales Transaction
1.	1328	421	3257
2.	2132	632	4852
3.	2218	874	6950
4.	2832	989	8007
5.	4000	1394	11146
6.	6000	2100	16834
7.	6951	2436	19539

Table 2 Documentation of Ministry of Energy and Mineral Resources

No.	Total of	
	IUP/KP	Number of Document of Fix Fees
1.	1328	1555
2.	2132	2789
3.	2218	3787
4.	2832	4204
5.	4000	5999
6.	6000	9073
7.	6951	10535

If in the future there are 6951 Mining Authority or Mining License report obligation, so there are 10535 document of Dues Remain payment/year or 878 documents/month. An employee now can finish 420 documents/month, so to finish 878 documents/month need 3 employees. If the number of Mining Authority or Mining License reach 6951 so production Mining Authority or Mining License will increase become 2436 and the number of sales transactions reach 19539 times/year or 1628 sales transactions/month. The ability of every employee to finish evaluation sales transactions job are 200 documents/month, so to finish 1628 sales transactions need 9 employees. Because this time the number of employee who do evaluation either Dues Remain documents 3 employee and sales transactions 2 employees so on evaluate Royalty payment from 6951 Mining Authority or Mining License need additional employee 7 employees.

Based on considerations above necessary widen organization structure so implementation duty and function can be more focus and also additional employee Sub Directorate of State Revenue of Mineral and Coal, in addition to repair mechanism of work and make supporter infrastructure, especially integrated information system to every related agency.

Process of formation organization structure Sub Directorate of State Revenue of Mineral and Coal now has been fulfilled start from doing work specialization, departmentalization, chain of command, decentralization and formalization. Outlines responsibilities of Head Sub Directorate of State Revenue of Mineral and Coal encompass planning of Non Tax State Revenue, recording, evaluation and verification, stipulation of the result of Non Tax State Revenue and administration. However, now responsibilities of Head Directorate of State Revenue of Mineral and Coal can not be handled optimal, especially implementation verification to field. Moreover jobs related to administration are deposited into organization structure with different main function. As result duty Section Head of State Revenue of Mineral and Section Head of State Revenue of Coal are not focus because besides finish recording, evaluation and verification of Non Tax State Revenue, also have to do additional duty related to planning of Non Tax State Revenue, technical guidance and administration. Regarding workload in the future will increase with increasing new functions as responsibility Head of Sub Directorate of State Revenue of Mineral and Coal so necessary development of organization structure in order to more efficient in doing jobs.

Workload to manage Non Tax State Revenue Natural Resource General Mining, especially record, evaluate and verify more than 11.100 document of Dues Remain payment and more than 27.600 document of Royalty payment more than 7000 companies Mining Authority or Mining License, Contract of Work and Coal Mining Agreement that spread more than 300 regency in Indonesia are not

balance if handled by 2 structure, that are State Revenue of Coal Section and State Revenue of Mineral Section. So until now some duty and function has not been done optimal especially implementation of verification to field regarding the number of mining company are very large and spread in 300 regency. In addition to there are addition duty, that are manage Non Tax State Revenue from result auction of Mining Permit Area, monitoring Non Tax State Revenue from rock Business Permit of Mining managed by Province Government/Regency Government/City Government and billing of account receivable to mining company who have not do payment. Based on considerations above necessary structure development, that are planning and stipulation of the result of Non Tax State Revenue, administration structure, recording, evaluation and verification structure. Meanwhile, regarding note, evaluation and verification workload are very big, necessary separation become 2 region, that are West Indonesia Region and East Indonesia Region.

### III. BUSINESS SOLUTION

#### A. Alternative of Solution Business

For solving problem of workload increase, thing have to do, among others:

1. Addition the number of employee
2. Making information systems

For solving problem of small organization structure, thing have to do is improve of organization structure

#### B. Analysis of Business Solution

1. Addition the number of employee will assist process of recording, evaluation and verification Royalties from Mining Authority or Mining License, assist verification to the field and assist implementation reconciliation in the framework planning of production and the stipulation of the result of Non Tax State Revenue .
2. Making information system of Non tax State Revenue is needed either for company or for employee of Sub Directorate of state Revenue of Mineral and Coal because with that system, charging and calculation process of Non Tax State Revenue that paid by concerned company can run fast.
3. Improvement of structure organization is needed in order to recording, evaluation and verification process can be done with a focus without happen depositing duty

### IV. CONCLUSION AND IMPLEMENTATION PLAN

The conclusion of this research is improvement organization structure, duty and function, addition the number of employee, improvement competence employee, making information system Non Tax State

Revenue and arrange Standard Operating Procedures related to mechanism of management of Non Tax State Revenue are effective solution in facing increase of workload. There are implementation plan as follow:

1. After do the comparison between forecasting human resource demands of the availability of human resources, can be concluded that recording, evaluation and verification activity Dues Remain and Royalty from Contract of Work and Coal Mining Agreement in office either now or in future still can be handled by exist the number of employee. Exist the number of employee are 2 people for Coal Mining Agreement and a person for Contract of Work. But for recording, evaluation and verification Royalties from Mining Authority or Mining License in office in future still need addition 7 people and for verification to the field need 14 people. For implementation reconciliation in the framework planning of production and the stipulation of the result of Non Tax State Revenue need addition 7 people.
2. Making information system of Non tax State Revenue is needed either for company or for employee of Sub Directorate of state Revenue of Mineral and Coal. For company, this system need to be made fill format of amount Dues Remain, Royalty and concerned company name and mining location, then the result of fill is sent to Sub Directorate of State Revenue of Mineral and Coal. For employee of Sub Directorate of State Revenue Mineral and Coal need to be make Non Tax State Revenue payment calculation system done by company quickly in order to distribution of revenue sharing can be run on time. Arrangement of Standard Operating Procedures related to information system of non Tax State Revenue also need to be make in order to that system can be work very well.
3. There are four organization structure section level need to be formed related to functions as follow:
  - a. Planning of Non Tax State Revenue and stipulation of the result of Non Tax State Revenue
  - b. Evaluation and Verification Region I Section
  - c. Evaluation and Verification Region II Section
  - d. Administration Section

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